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FISCAL IMPACT STATEMENT

LS 6560

BILL NUMBER: SB 535

NOTE PREPARED: Feb 25, 2013

BILL AMENDED: Feb 25, 2013

SUBJECT: Airport Authorities and Economic Development.

FIRST AUTHOR: Sen. Grooms

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: Local

Summary of Legislation: (Amended) The bill provides that if Clark County establishes an airport authority, the board of the airport authority consists of certain specified members. It provides that if such an airport authority is established: (1) it shall be named the South Central Regional Airport Authority; and (2) the authority's budget, tax levies, and bonds or leases payable from property taxes must be approved by the Clark County fiscal body.

The bill requires the board of the airport authority to maintain liability insurance coverage in an amount determined sufficient by the board. It requires the board of the airport authority to issue for each year an annual report that contains certain elements.

The bill also provides that a redevelopment commission or military base reuse authority established by a unit located in Clark County may provide revenue to an airport authority if the redevelopment commission or reuse authority makes a determination that providing the revenue will enhance economic development opportunities.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) The reporting requirements as well as the liability insurance requirements could add to the administrative expenses of the airport authority. The board of the airport

authority will determine the amount of liability insurance to be purchased. The annual reporting requirements outlined in the bill specify a report that includes information on yearly audited financials, minutes of each board meeting held during the year, as well as a report of any pending or potential litigation involving the airport authority and/or the board of the airport authority. The costs associated with these two requirements are indeterminate at this time.

Explanation of Local Revenues: (Revised) The bill has an indeterminate fiscal impact on Clark County as it is based on the actions of the county council of Clark County in establishing an airport authority. If an airport authority were created, under this bill the Clark County Council would be required to approve the budget, tax levies, and debt of the airport authority.

According to the bill, a redevelopment commission in Clark County may choose to provide revenue to the airport authority if the commission determines that doing so would net economic development opportunities. Redevelopment commissions are a separate taxing unit and may levy property taxes to fund their development activities. The fiscal impact of this provision is dependent upon local decisions. Clark County has three redevelopment commissions: the Clark County Redevelopment Commission, the Clarksville Redevelopment Commission, and the Jeffersonville Redevelopment Commission.

The bill allows a military base reuse authority in Clark County to provide revenue collected through property taxes to the airport authority if such a transfer would enhance economic development opportunities. There is one military base reuse area in Clark County that may utilize this provision: the River Ridge Commerce Center (the former Indiana Army Ammunition Plant). The amount of revenue that the River Ridge Commerce Center would transfer to the airport authority would depend on local agreements and available funds.

Background: Clark County already operates a regional airport through the Clark County Board Aviation Commission. Known as the Clark Regional Airport, it is considered to be a reliever airport. These airports are designated by the Federal Aviation Administration (FAA) to relieve congestion at commercial service airports and to provide improved access to the community. The Clark Regional Airport is publicly owned.

State Agencies Affected:

Local Agencies Affected: Clark County, Clark County Redevelopment Commission, Clarksville Redevelopment Commission, Jeffersonville Redevelopment Commission, River Ridge Commerce Center.

Information Sources: Clark Regional Airport website - <http://www.clarkregionalairport.com/>; Indiana Legislative Services Agency County Property Tax Report 2012 - <http://www.in.gov/legislative/2397.htm>; River Ridge Commerce Center website - <http://www.riverridgecc.com/>; Federal Aviation Administration - http://www.faa.gov/airports/planning_capacity/passenger_allcargo_stats/categories/.

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